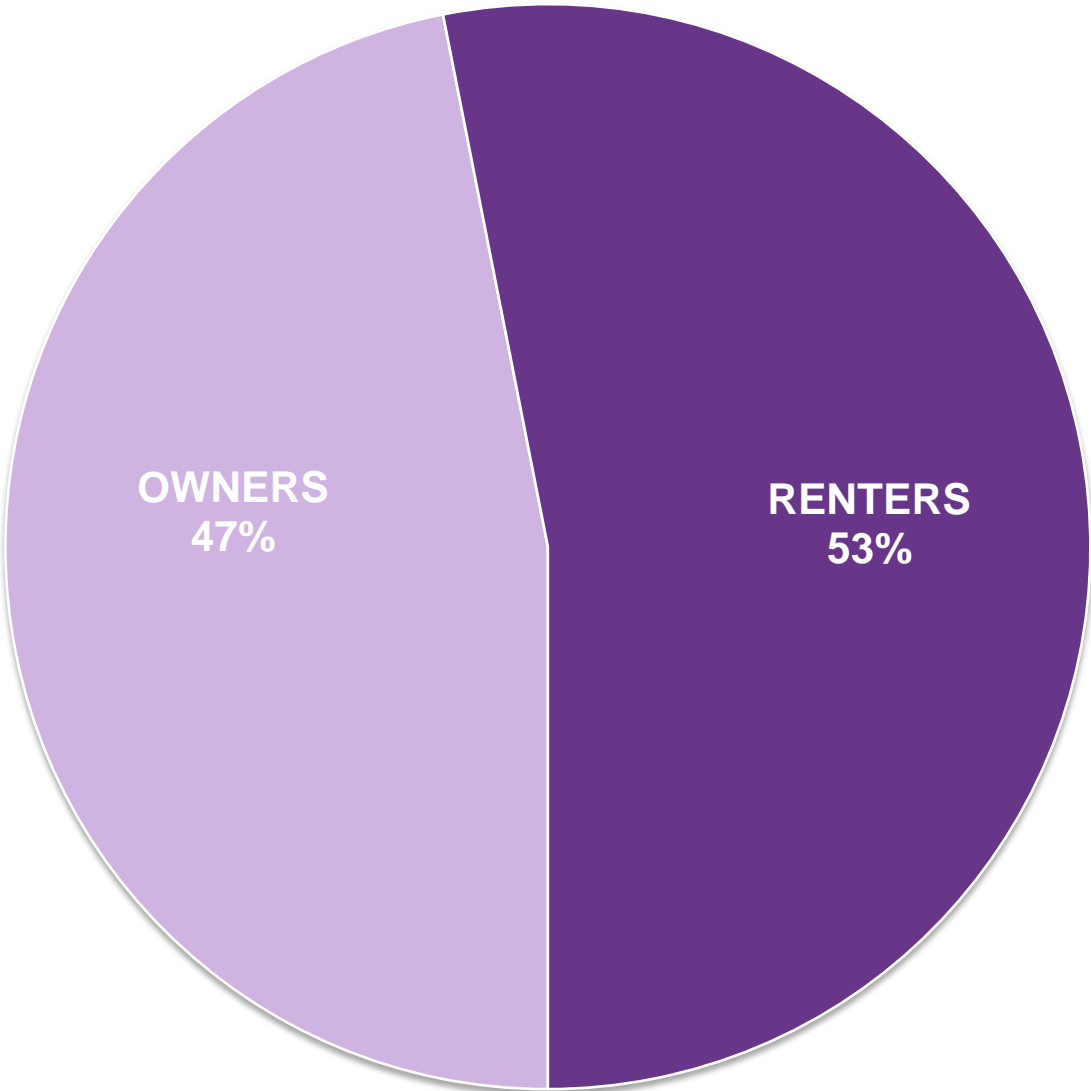


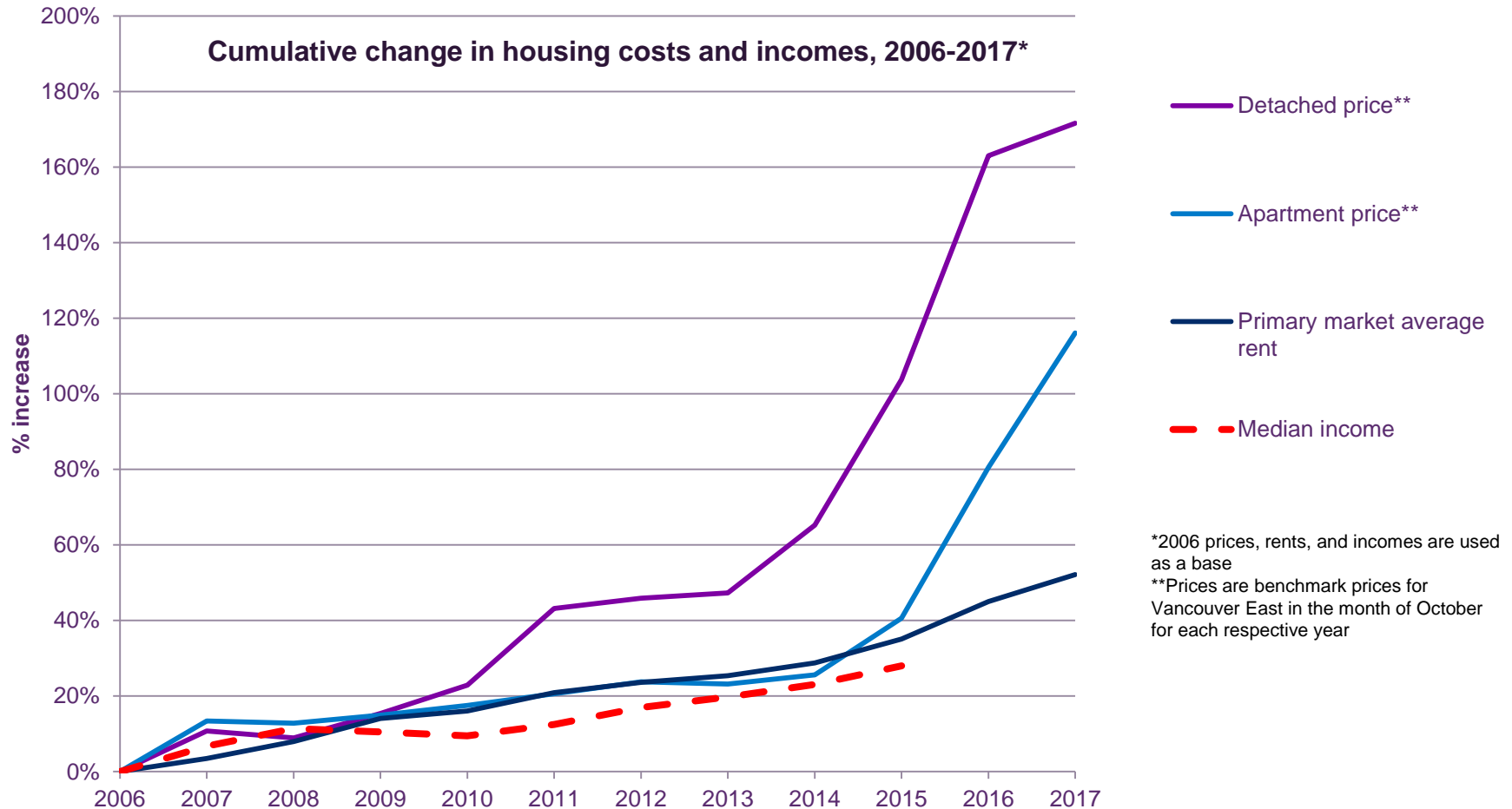
Housing Vancouver Rental Reinvestment Program + Updates to RHS ODP

Renters make up over half of Vancouver's households



Source: 2016 Census, Statistics Canada

Incomes Have Not Kept Pace with Housing Costs



Sources: CMHC Rental Market Survey 2017
 Real Estate Board of Greater Vancouver Benchmark - Fall 2017
 Statistics Canada - Census 2001-2016

Challenges for Renters Across Income Spectrum and Household Types



\$0-\$30,000



\$30,000-\$50,000



\$50,000-\$80,000

\$80,000-\$150,000



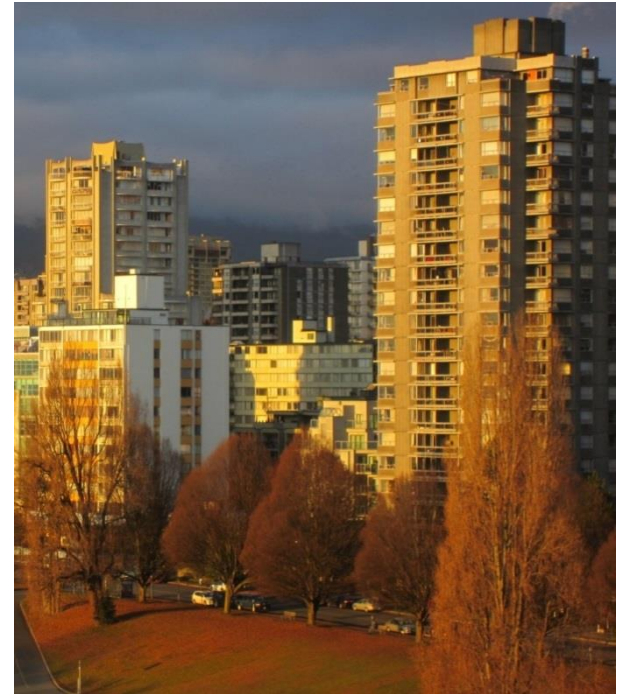
Lower and middle incomes in **existing Purpose-built rental stock**

Middle and higher income earners in **newer rental stock**

Existing Rental is the 'Right Supply'

Existing Rental is the 'Right Supply'

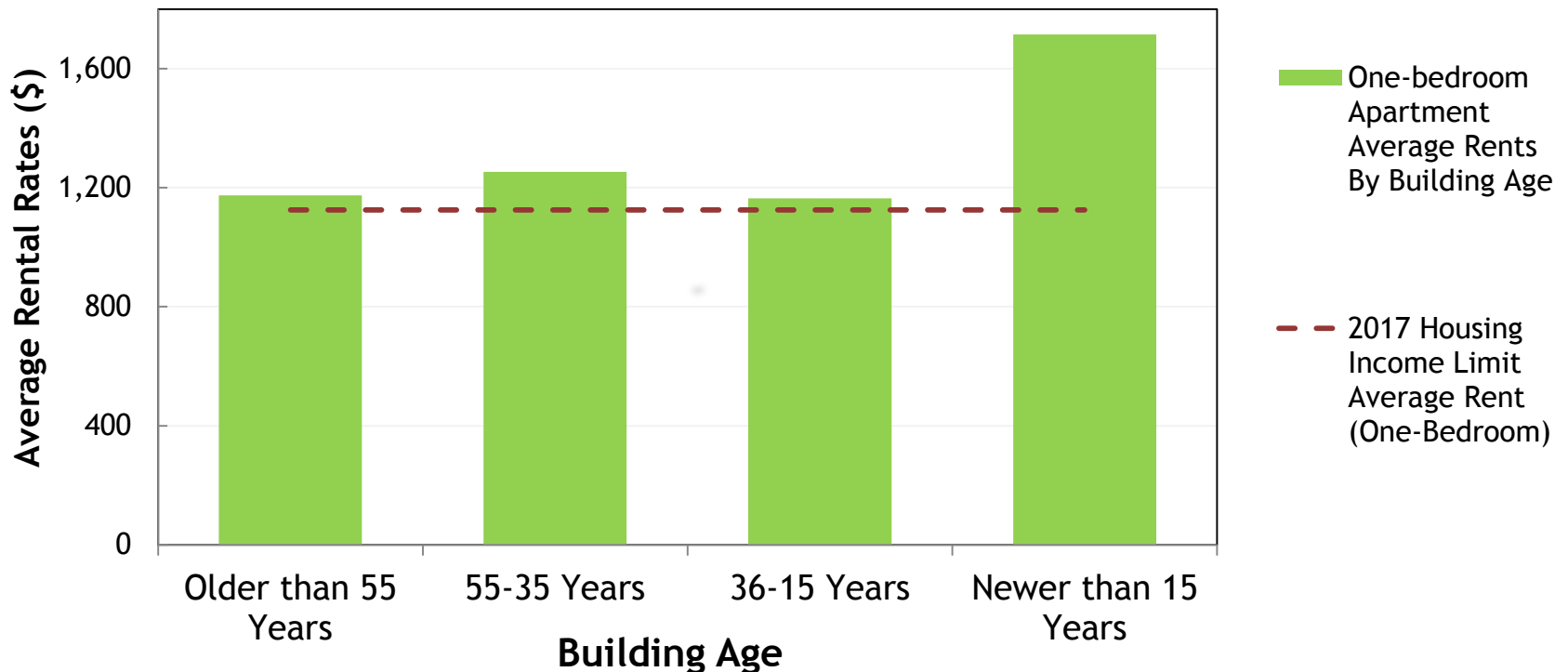
- ✓ Affordable to moderate income earners, 'Missing Middle,' and vulnerable populations
- ✓ Low/mid/high rise apartment forms
- ✓ Located near transit, jobs, and school and community amenities



Almost 90,000 units of existing market + non-market rental in the City.

Existing Rental is More Affordable

1BD Private Apartment Rents by Building Age



Source: CMHC Market Rental Report 2016

Rental Housing Stock ODP protects existing rental housing

Areas covered by the Rental Housing Stock ODP



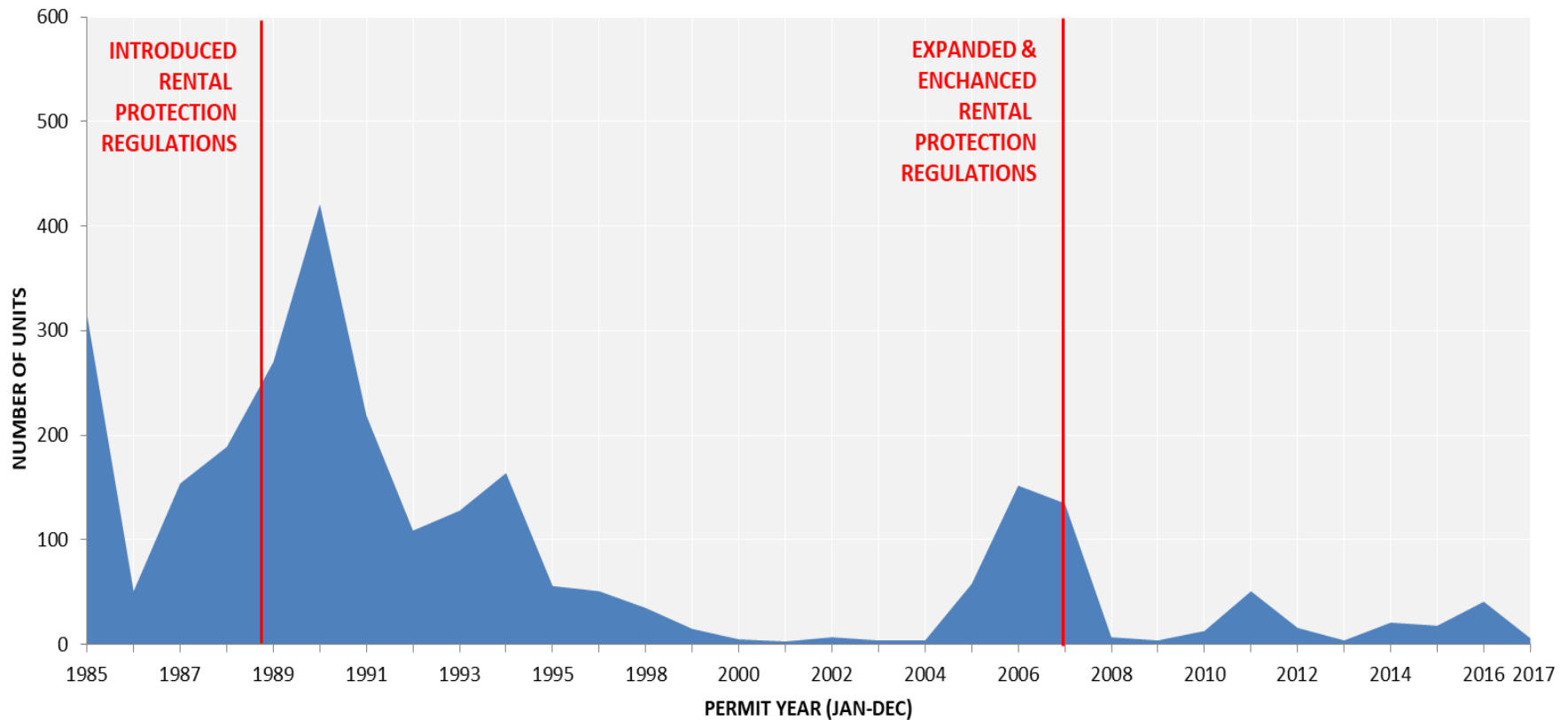
Current Bylaw:

Requires **one-for-one replacement** of existing rental housing on new developments of 6 or more units in certain multi-family areas of the city

The RHS ODP applies to **77%** of the city's purpose-built rental stock

Rental Housing Stock ODP Effective in Stopping Rental Loss

Market Rental Units Demolished in Rental Housing Stock ODP Areas (1985 – 2017)



Notes

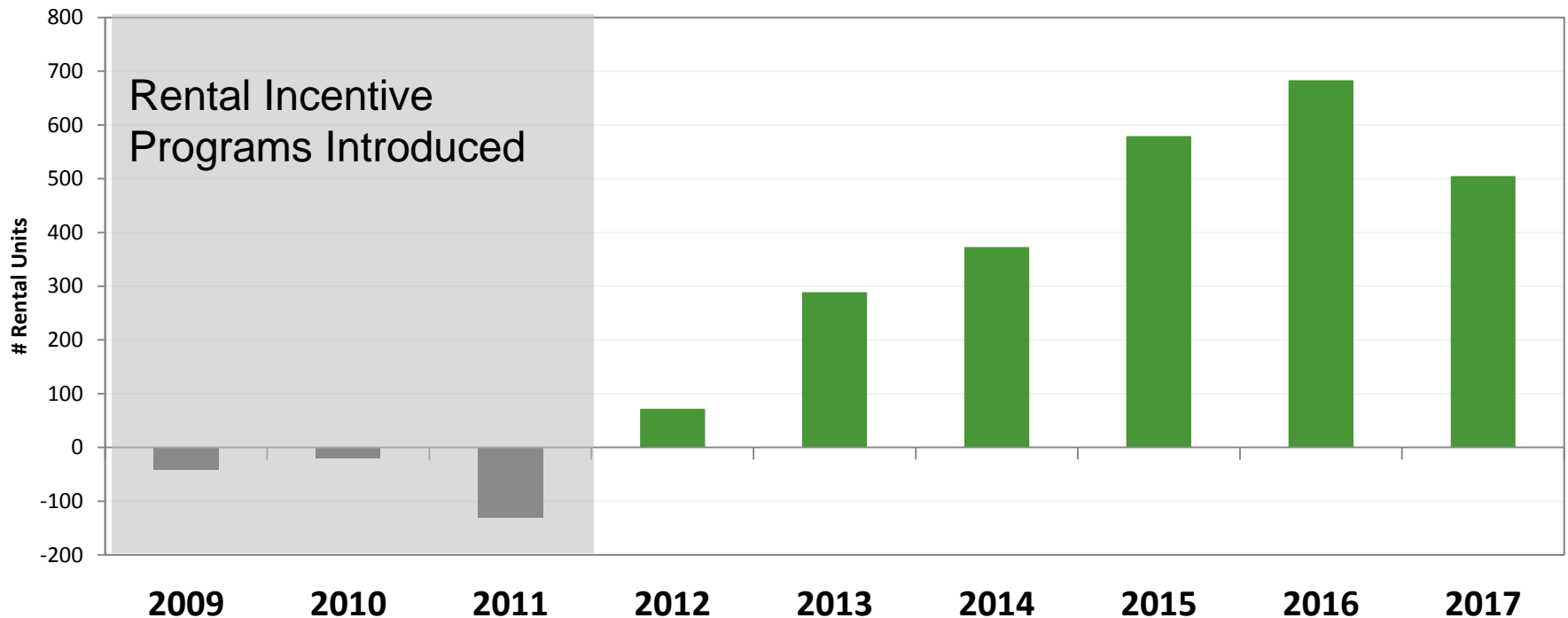
**Demolitions represent rental buildings with 3 units or more*

***Demolitions of CD-1 sites were counted after the Rental Housing Stock ODP was expanded in 2006*

Rental Housing Stock ODP + New Supply Initiatives resulted in net gain of rental units

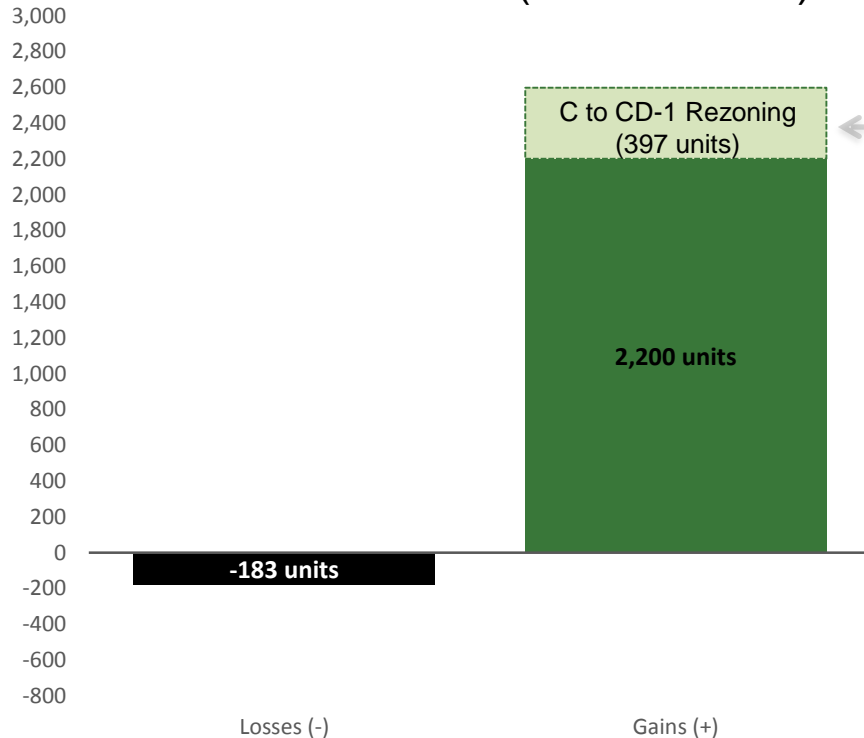
Vancouver has gained 2,300 net units constructed from 2009-2017

Change in Rental Stock Across Vancouver, 2009 - 2017

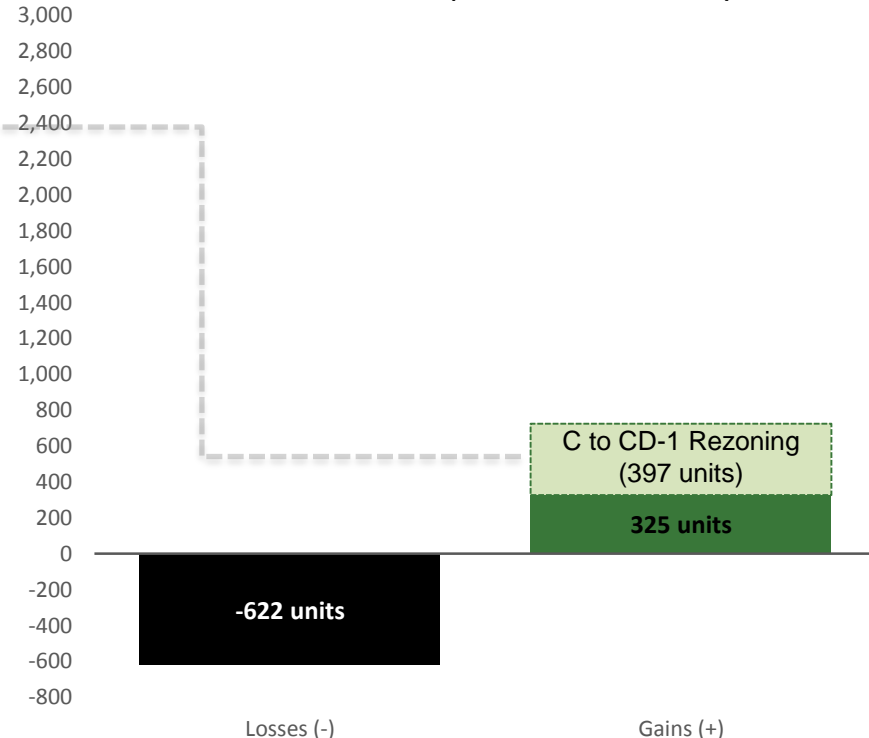


Rental Housing Stock ODP + New Supply Initiatives resulted in net gain of rental units

Rental Stock Change –
RHS Stock Area (2009 – 2017)



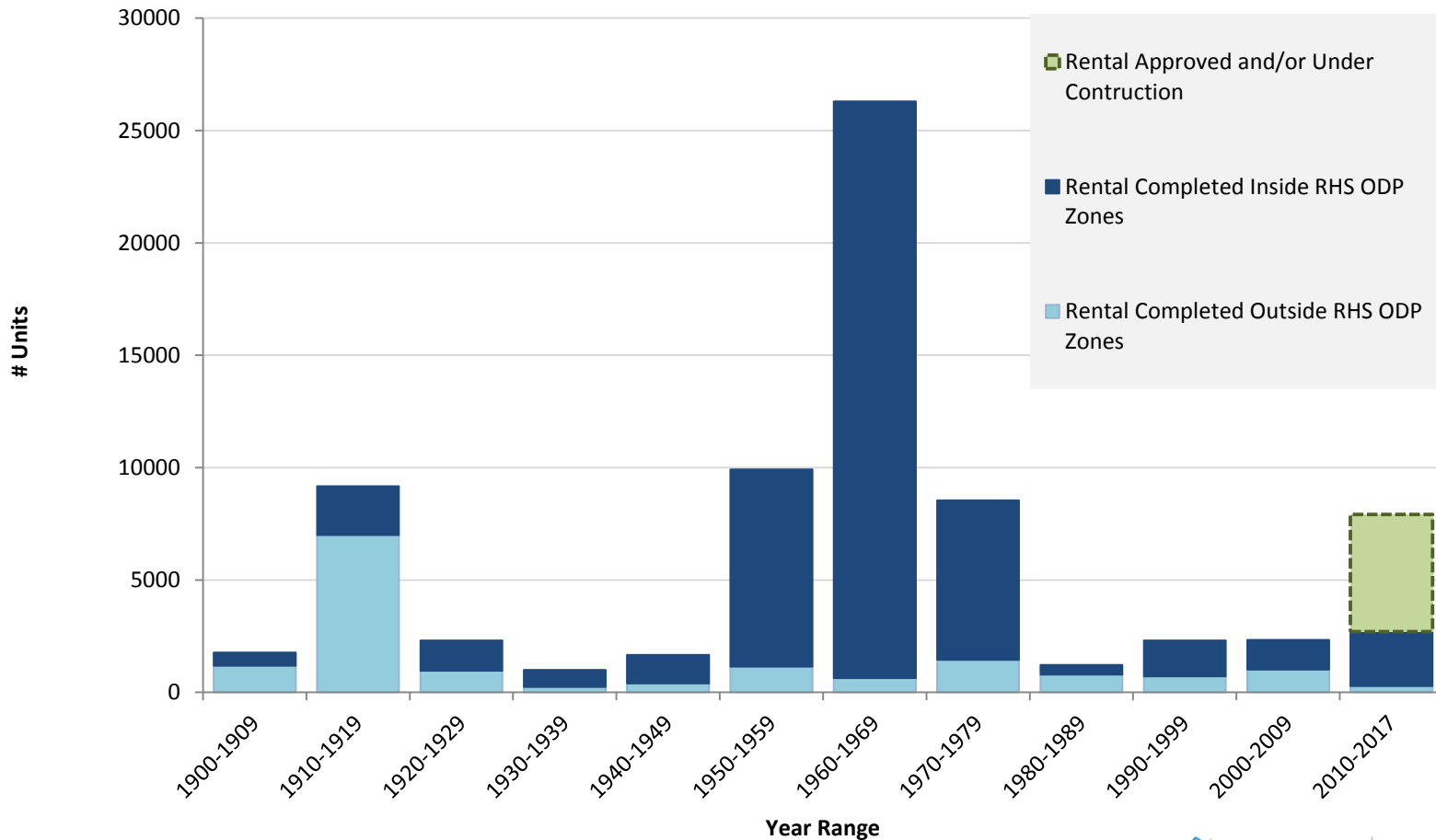
Rental Stock Change – Outside RHS
Stock Area (2009 – 2017)



- Majority of losses outside RHS ODP are in RT zones (278 units of net loss)
- Loss in C2 offset by gain via rezoning through rental incentive programs (total 397 units of net gain)

Existing Rental Stock is Aging

Purpose-Built Market Rental Construction in Vancouver by Decade

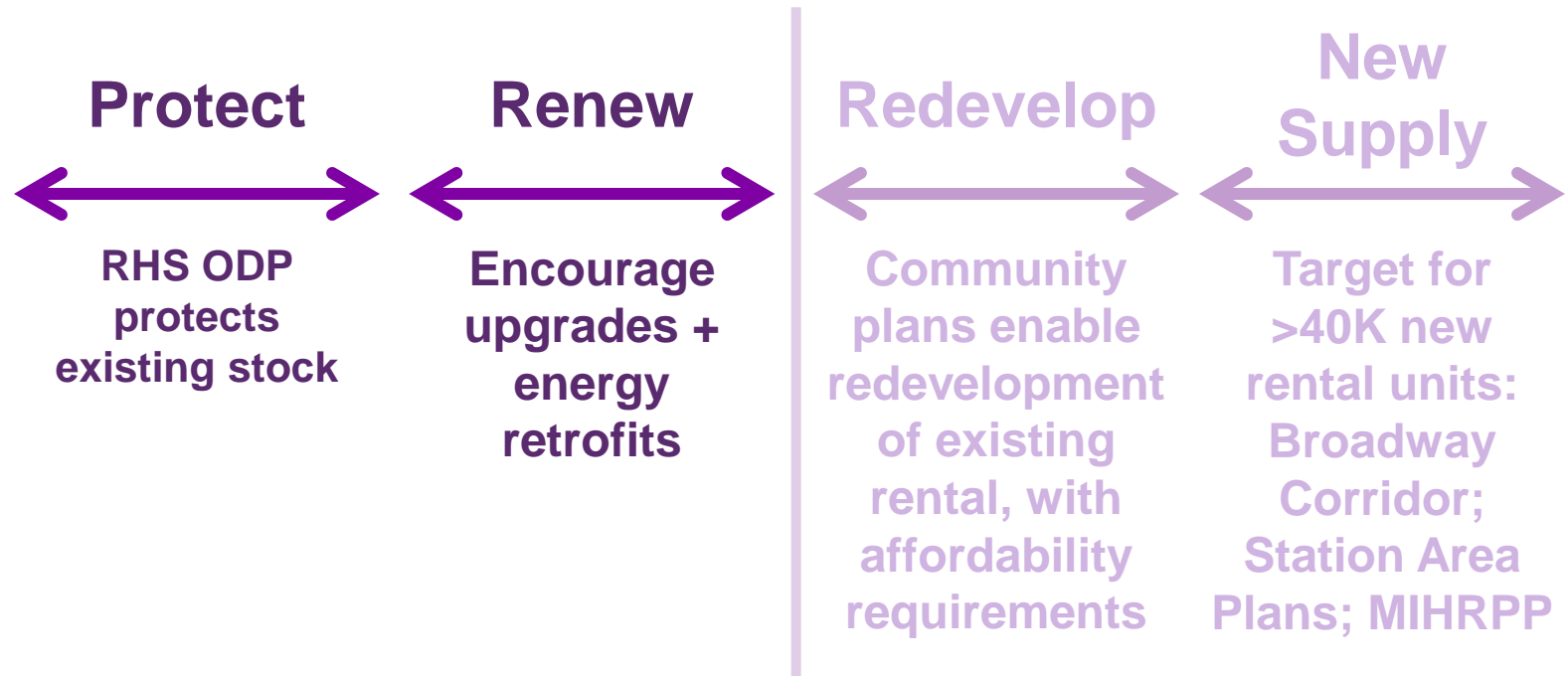


Source: CoV Secured Market Rental Inventory/Tracker

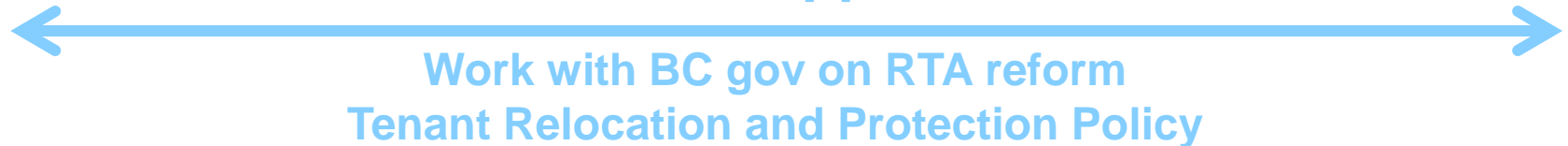
The Challenge: Protecting Renters While Renewing the Stock



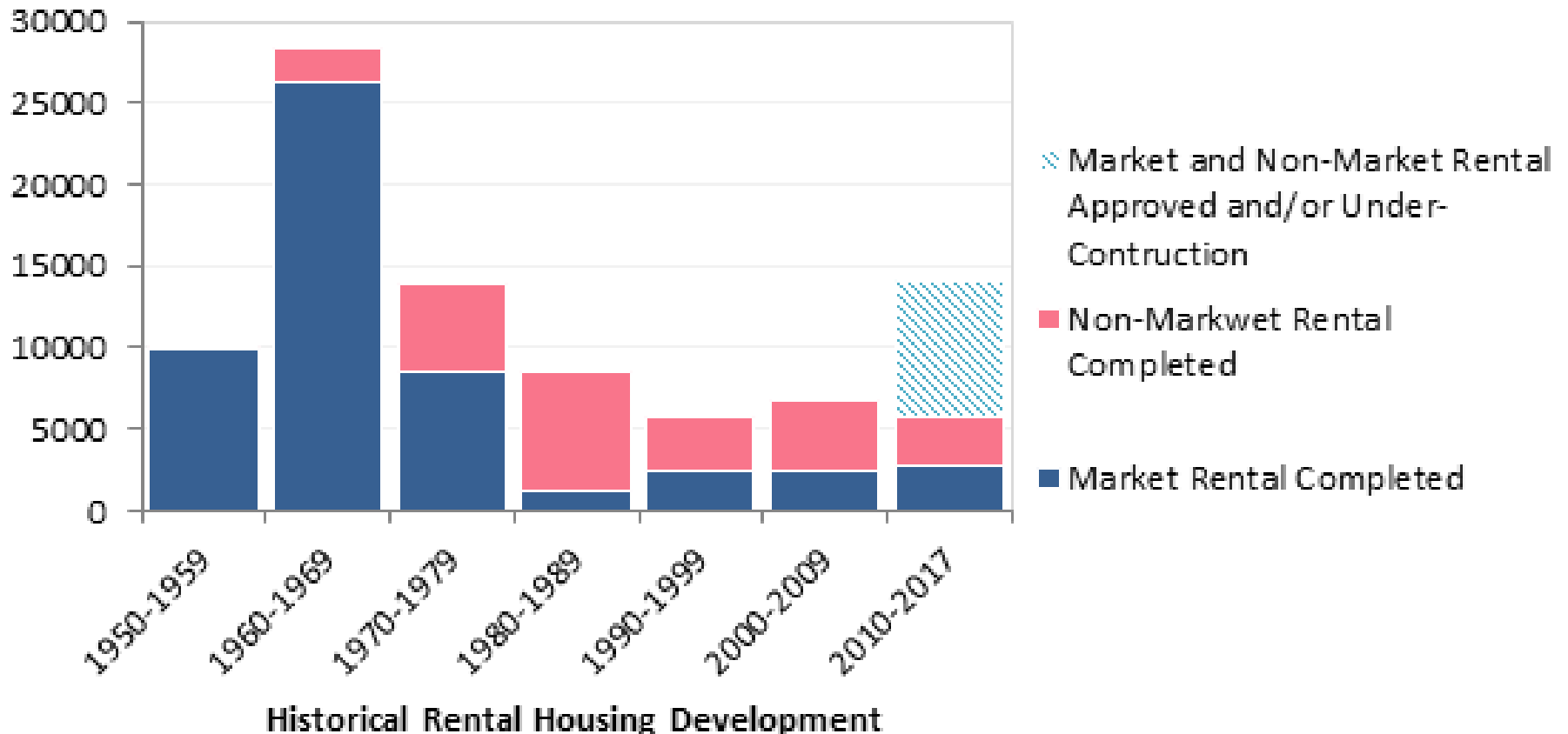
Housing Vancouver Approach to Rental



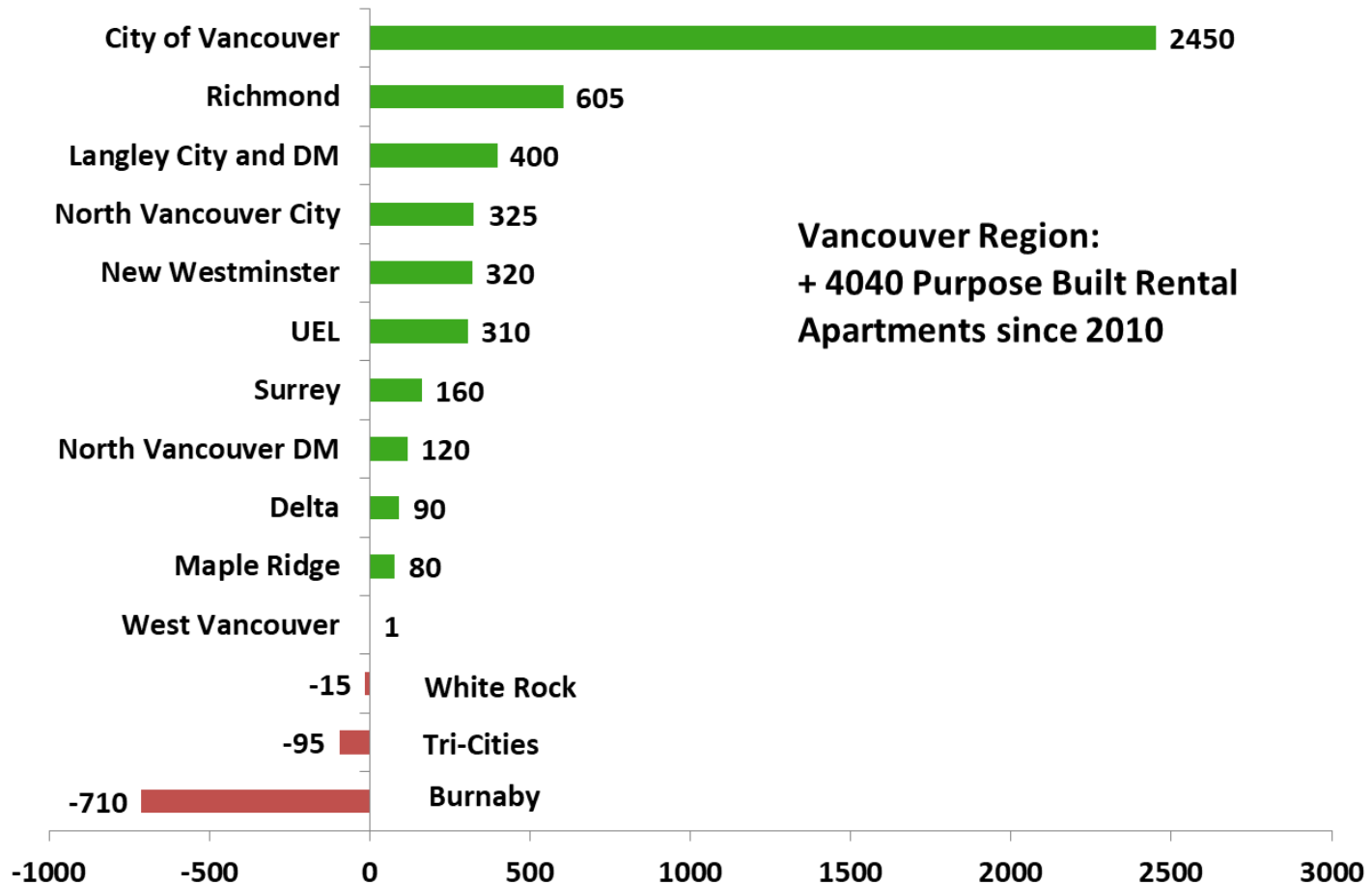
Protect and Support Renters



The result: Rental units are being approved at levels we have not seen since the 1970s



Vancouver is leading the region in net gain in rental



Change in apartment units in rental market universe, 2010-2017

Proposed Amendments to the Rental Housing Stock Official Development Plan and corresponding By-laws and Policies

(Recommendations A – D)

Proposed Amendments to the Rental Housing Stock ODP

Gap	Recommendation
New development <6 units does not trigger rental replacement means risk of loss due to underbuilding (~60 units between 2009-2017)	Change the trigger for rental replacement from 6 to 3 units
RHS ODP does not currently apply to MCDs; loss of ~80 units due to demolitions in RM/FM/CD-1 between 2009 and 2017	Require rental replacement for all new developments, including MCDs
Rental replacement requirement does not specify unit type – this means replacement does not need to include family units	Include 35% family housing requirements in rental replacement for full redevelopment scenarios and those resulting in major alterations; discretion in certain cases

Proposed Amendments to the Rental Housing Stock ODP

Gap	Recommendation
Issue of rental replacement in hotels and dissolving strata	Clarify that rental replacement does not apply to hotels, or strata developments where the existing building is individually owned and is being dissolved for redevelopment purposes
Housekeeping/sleeping units may impact viability of rental replacement	In some cases where the existing rental units are sleeping or housekeeping units, discretion for less than 1 for 1 replacement with the goal of maximizing the rental replacement will be considered to the satisfaction of the Director of Planning.
Clean up required in ODP – e.g. confusion around outdated reference to 0% rate of change	Clean up ODP e.g. remove outdated “rate of change” language

Associated Changes

- **Corresponding changes to the Zoning and Development By-law and associated district schedules (RM-2, RM-3, RM-3A, RM-4, AND RM-4N, RM-5, RM-5A, RM-5B, RM-5C, RM-5D, RM-6, AND FM-1)**
- **Strata Title and Cooperative Conversion Guidelines**

Building Reinvestment Study Findings and Policy Recommendations

Recommendations E - H

Rental Reinvestment Program Objectives



- ❖ **Understand** future upgrades needed in existing wood-frame rental, feasibility of major capital and energy upgrades, and impact on tenants
- ❖ **Consult** with rental apartment owners and stakeholders about their approach to stock and barriers to reinvestment
- ❖ **Identify** policy options, including actions for CoV and the province/feds

Major Findings: Future Upgrades Required in Existing Rental

Major future upgrades were identified in all 3 buildings studied

- Major systems include: building envelope (cladding + balconies), drainage piping, electrical switchgears.

Some future upgrades may not be prioritized by landlords

- Standard upgrades are happening
- Barriers to more significant upgrades include cost, financing, capital planning
- Heard from landlords that government measures could help encourage major work



Major Findings: Upgrades May Lead to Renter Displacement



- Major upgrades identified in study happen with occupants in suites in other types of multifamily housing (e.g. strata)
- However, rental is more challenging
 - Noise + disruption to renters
 - Health risks associated with major work e.g. asbestos
 - Ability to increase rents for new renters
- Many upgrades identified in study require only building or trades permits – no TRP required

Policy challenge: Balancing needs of rental stock vs. security + affordability for renters

Policy Recommendations: Encourage Upgrades in Existing Rental Buildings

- Pilot program to support existing landlords with capital and energy planning
- Explore the feasibility of municipal incentives for major capital and energy improvements in existing rental housing
 - *E.g grants or bonus density in limited cases*
- Work with senior governments on programs to support upgrades in existing private market rental housing
 - *E.g. financing, tax incentives, grant assistance, and initiatives to promote long-term capital planning and energy assessments*

Increasing support to Renters

Recommendations I - J

Policy Recommendations to Further Protect Renters and Utilize New Tools

- Continue discussions with the province for enhanced RTA protections in the case of renovations and redevelopment of existing rental, e.g. Rental Housing Task Force
- Report back on the implications of implementing the Province's charter changes allowing zoning for rental tenure (Rental Only Zone); and applying this to Rental Housing Stock ODP areas

***Rental Only Zones could be a tool to enhance the city's ability to protect existing rental as land values continue to rise*

Questions from Councilors

Questions

1. Approximately what percentage of total rental stock is captured in rental replacement requirements by lowering the trigger from 6 to 3 units?
2. Does the total of 57,000 market rental units including secondary suites, even if they aren't registered with the city?

Questions

3. The report notes (page 6) that rental replacement policies have protected rental stock with a net gain of 2,600 units, but have we tracked the 1,605 older units that have been replaced with new units, to see the difference in rents?

4. The report notes (page 7) that STIR and Rental 100 have resulted in 7,030 units being built since 2010. Do we have stats on whether the units actually rented at the rent prices noted in the rezoning applications and have we tracked what has happened to rents over time?

Questions

5. One of the key barriers to undertaking renovations and energy retrofits noted by landlords (App F Section 5.4 page 24) is "bureaucracy and 'red tape' delays". What are the policy recommendations in response to this?
6. Did staff consult with senior governments regarding the policy recommendations identified in this report?
7. Can the city further strengthen the SRA bylaw to better protect renters?

Thank-you.



**HOUSING
VANCOUVER**